

The Bingo License and Tax Act ("Act") (230 ILCS 25/1 et seq.) requires that any bona fide religious, charitable, labor, fraternal, youth athletic, senior citizen, educational, or veterans' organization organized in Illinois be licensed in order to conduct bingo games. (This is a GIL).

August 2, 2001

Dear Xxxxx:

This letter is in response to your letter received June 19, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

We corresponded in September 1999 regarding Bingo. In the interest of simplicity, I enclose a copy of your letter in response to my letter of August 6, 1999.

It has come to my attention that we may charge patrons to play Bingo, providing that all of the income is returned to the players as prizes, and NO profit is gained by the association which is operating the Bingo game.

I would most appreciate a response from you verifying or denying the above statement.

As stated in our September 7, 1999 letter to you, the Illinois Department of Revenue is charged with administering the Bingo License and Tax Act, which defines bingo as:

"the form of lottery authorized by the Act [Bingo License and Tax Act] in which prizes are awarded on the basis of designated numbers or symbols in a card for which consideration has been paid, conforming to numbers or symbols selected at random."

When bingo, as described above, is played, the organization conducting the games must first have a license issued by the Department of Revenue. Without possessing such a license, the organization would be engaging in illegal gambling as defined in paragraph 28-1 of the Illinois Criminal Code.

As you can see from Section 430.100, bingo is defined as a game in which consideration is paid for bingo cards. As long as no consideration is required for cards, the Department does not require a bingo license.

If participants must pay to obtain a bingo card, then a bingo license is required.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.